

An illustration of a person with short hair and glasses sitting at a desk, working on a computer. A clock is visible on the wall behind them. A hand is shown holding a pink shopping bag, symbolizing online shopping. The background is a warm, orange-yellow gradient.

Factors Influencing Consumers' Attitude Towards Online Shopping

An Exploratory Research on E-Commerce Consumers of Dhaka City

May 2020

According to a German research firm, Bangladesh's e-commerce market stands at \$1.6 billion currently and will double to \$3 billion by 2023 on the back of a digital foundation laid down by the government and a young and tech-savvy population.

The knowledge on the factors affecting buyers' behavior, the relationships between these factors and the type of online buyers would give assistance to the e-marketers in evolving their marketing strategies which will ultimately help to grow the industry.



This paper focuses on factors influencing online buyers' attitude based on the evidence from buyers of Dhaka city. It also investigates how different types of online buyers perceive different important factors before buying anything from online and also their spending amount on online shopping. Data used in this study was obtained using an interviewer-administered structured questionnaire on 128 respondents, selected randomly having experience in online purchasing. According to Facebook users data April, 2020, 77% of users in Bangladesh lies between 18-34 years age group. That's why this survey also focus on the people between 18 to 40 years old age group. The data was collected from May 5 to May 16, 2020.

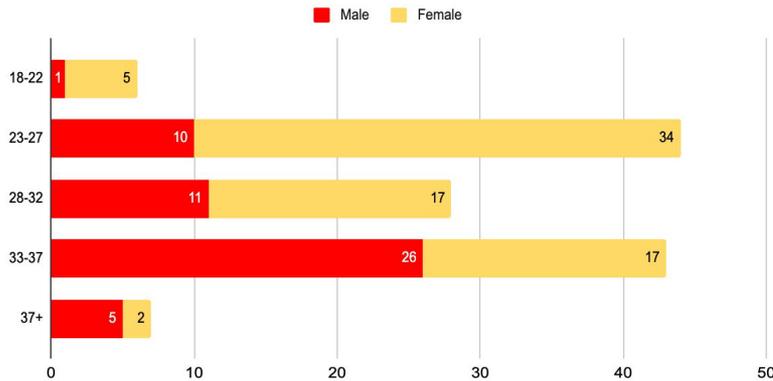


75
Female
(Respondents)

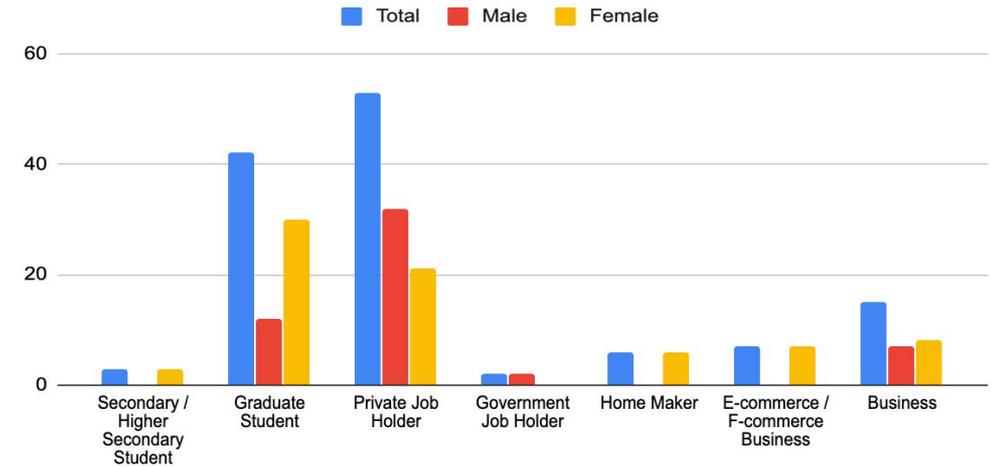


53
Male
(Respondents)

Age wise Gender Distribution



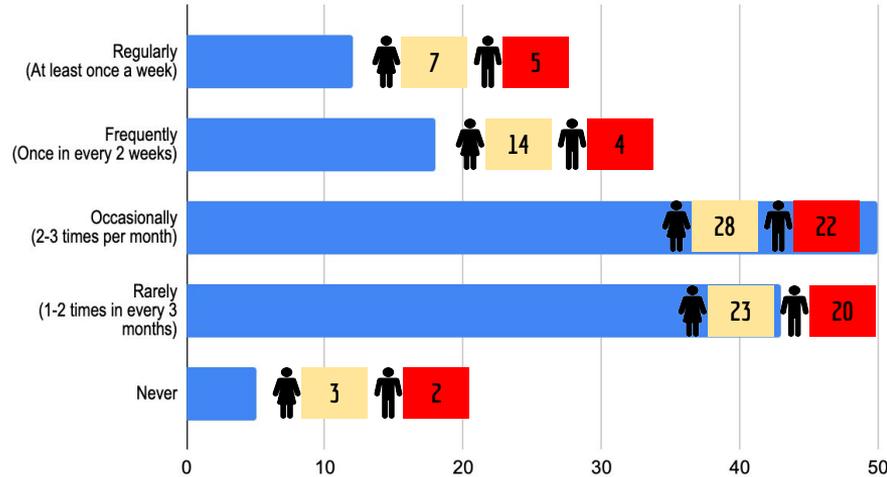
Occupation of the Respondents



Around 90% of the respondents from 23 to 37 years old age group. Around 50% of the male respondents belongs to 33-37 years old age group and around 45% of the female respondents belongs to 23-27 years old age group. The majority occupational group is private job holder followed by graduate students. These 2 groups hold around 75% of the total respondents.

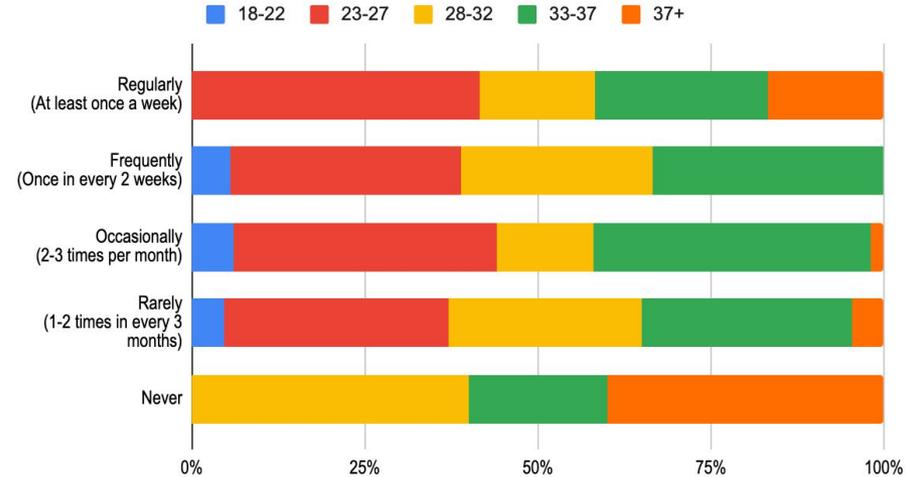
Around 96% of the respondents has responded that they have purchased at least once from Facebook based business or from an E-Commerce website in last 3 months. Among those 96%, around 41% are men and 59% are female.

Frequency of Purchase



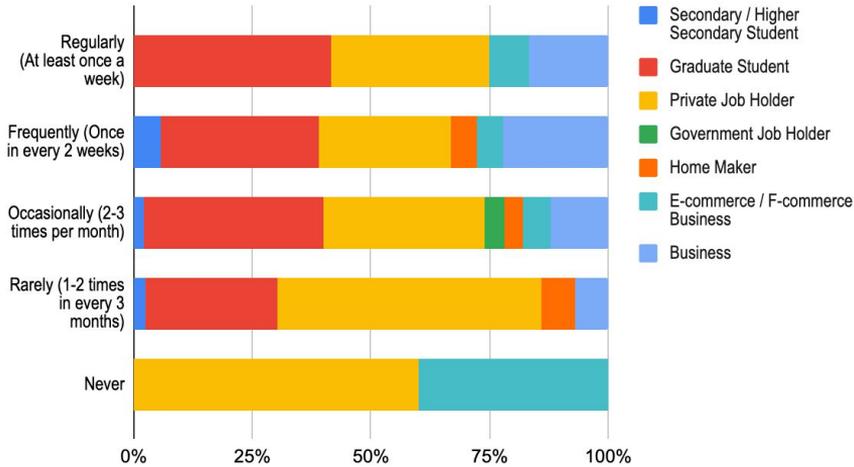
Around 23% respondents purchased regularly and frequently from online in last 3 months. However, only 17% of male respondents purchased regularly and frequently. On the other hand, 28% of female respondents purchased regularly and frequently. Around 80% of the male respondents purchased occasionally or rarely from online. On the other hand, around 68% of the female respondents purchased occasionally or rarely from online.

Purchase Frequency Distribution based on Age



Age group from 23-27 years old respondents purchased most regularly from online followed by the age group of 33-37 years old. On the other hand, age group 33-37 years old purchased most occasionally followed by age group of 23-27 years old. Although only 5 respondents responded that they didn't purchase anything from online in last 3 months, there is no respondents from age group 18-22 and 23-27 years old in this category of respondents.

Occupations wise frequency of Purchase



Two major groups of respondents are graduate students and private job holders. These two groups consist around 75% of total respondents. 71% graduate student respondents responded that at least one a month, they purchased from online. Around 85% of the graduate students lies in 23-27 years of old age group and around 71% of the respondents of graduate student group are female.

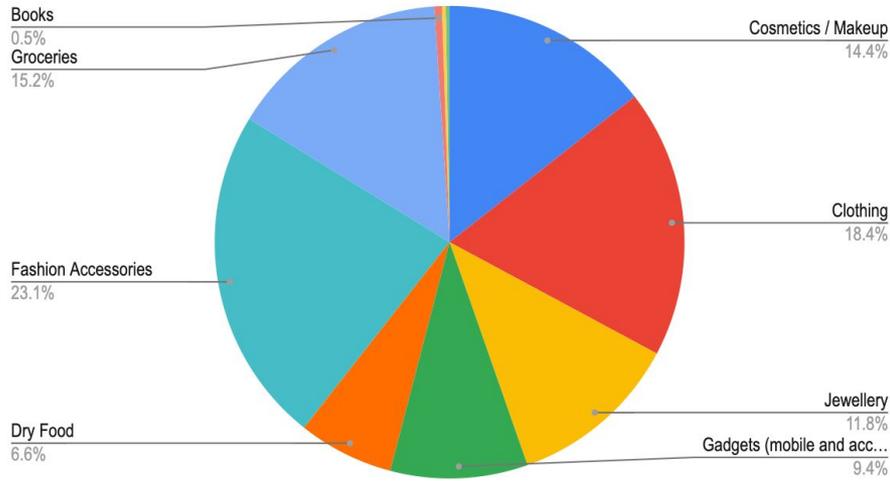
On the other hand, 45% of the respondents from private job holder group responded that they purchased rarely, once or twice in last 3 months from online. It is important to mention that around 60% of the private job holder group respondents are male and total around 38% male respondents responded that they purchase rarely from online.

The respondents were asked that whether they have purchased from online (either from e-com websites or facebook pages) in last 3 months, which means during January 2020 to March 2020. In terms of gender distribution, there is no visible differences between the responses from male and female, around 96% of both male and female responded that they purchased at least once in last 3 months.

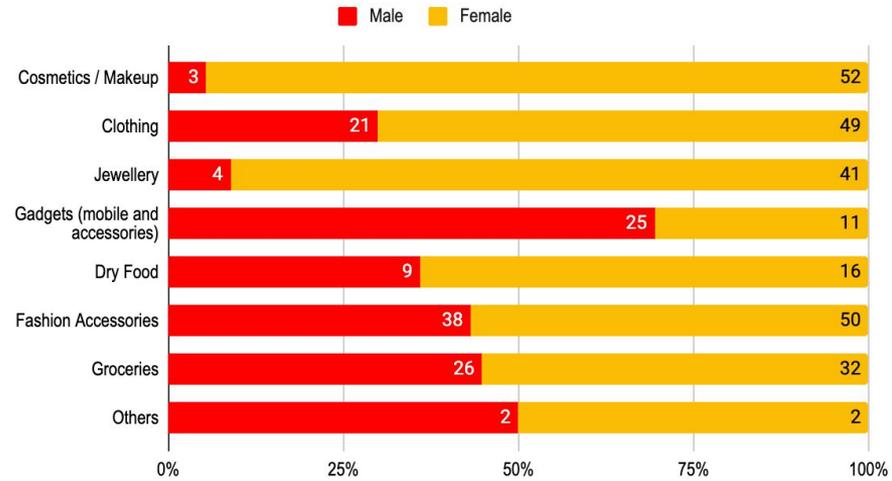
Around 62.5% respondents responded that they purchased at least once in a month in last 3 months. Around 68% of the age range from 23-37 years old responded that they have purchased at least once in a month in last 3 months. It seems like graduate students and private job holders, 23-37 years old respondents are more consistent purchaser from online than other groups. According to Facebook users data April, 2020, 77% of users in Bangladesh lies between 18-34 years age group which complies with the findings from the study that these age groups of people are regular users of internet in Bangladesh.

Fashion accessories, Clothing and Groceries are the top 3 preferences of products while the respondents were asked about the preference of products they usually purchase from online.

Preference for product for Online Shopping



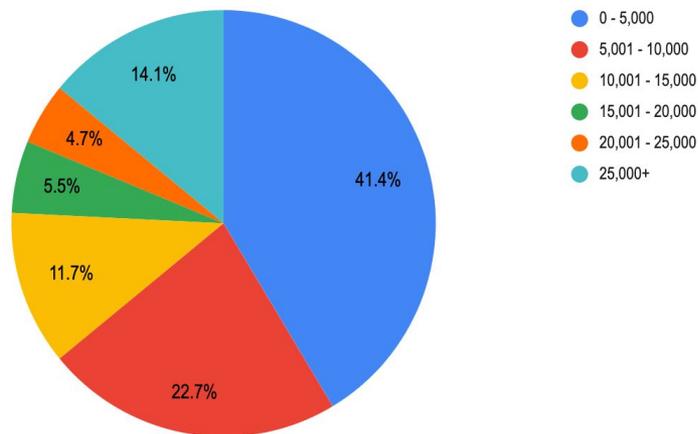
Gender wise Preference for Product for Online Shopping



Fashion accessories (incorporates shoe, watch, sandals, sunglasses, bags etc) is the most preferential products among the respondents for online shopping followed by clothing and groceries. There is a very marginal difference between Groceries and Cosmetics items. So, it may conclude that Fashion Accessories, Clothing, Groceries and Cosmetics items are the top 4 categories among the consumers for online shopping.

However, if we look into the gender wise preference, male respondents top 3 preference products are Fashion Accessories, Groceries and Gadgets. On the other hand, female respondents top 3 preference products are Cosmetics, Fashion Accessories and Clothing. Online shopping tends to grow in the coming years as consumers want to buy more in the future. Merchants should bring out innovative ways so that there is a growth in other categories of goods and services.

Amount spent on Online Shopping



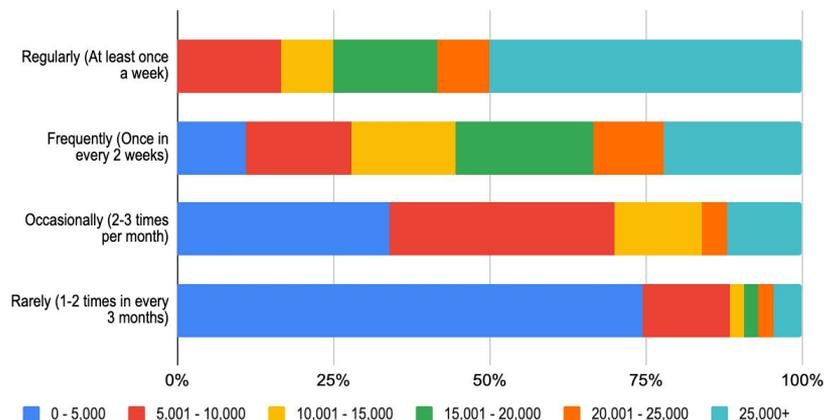
Around 75% of the respondents responded that they have spent maximum BDT 15,000 on online shopping in last 3 months. The majority respondents, around 41% spent maximum BDT 5000 in last months.

Around 70% of the male respondents spent maximum BDT 15,000 in last 3 months and around 80% of the female respondents spent maximum BDT 15,000 in last 3 months. Around 15% of the male respondents and 13.33% female respondents spent BDT 25,000 in last 3 months. So it might be concluded that women spent more money in online shopping compare to male.

50% of the respondents who responded that they purchased from online on regular basis, spent more than BDT 25,000+ in last 3 months. There is no significant difference in responses from the respondents who responded that they purchased from online at least once in 2 weeks. Around 75% of the respondents who respond they do online shopping rarely (1 or 2 times in quarter) spend maximum BDT 5000. It is evident that the spending on online shopping is directly related with the frequency of shopping. It also evident that perceived ease of use which comes from experience helps to adopt the online shopping.

There are some respondents from occasionally and rarely group (6.25% of total respondents), who spent more than BDT 25000+ in online shopping, mainly purchased gadgets like mobile or electronics goods like TV. As fashion accessories (incorporates shoe, watch, sandals, sunglasses, bags etc) is the most preferential products among the respondents for online shopping, might have a positive relationship with the spending amount.

Relation between Frequency of Shopping and Spending on Shopping

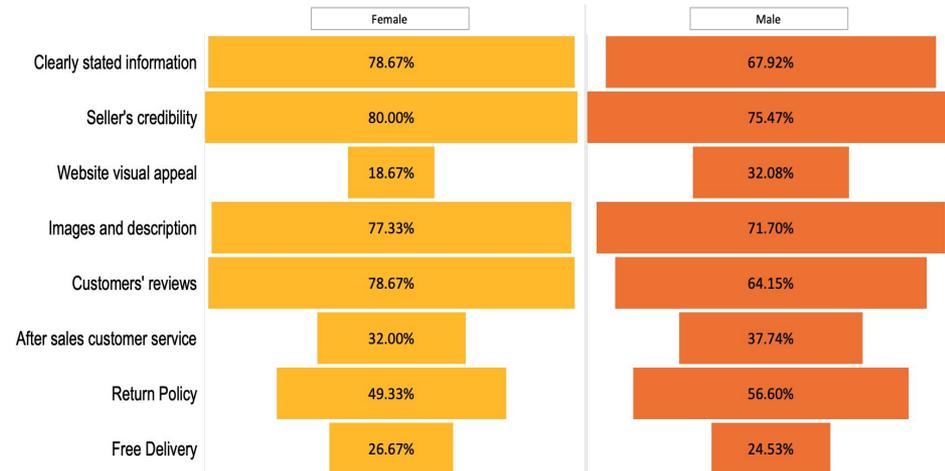
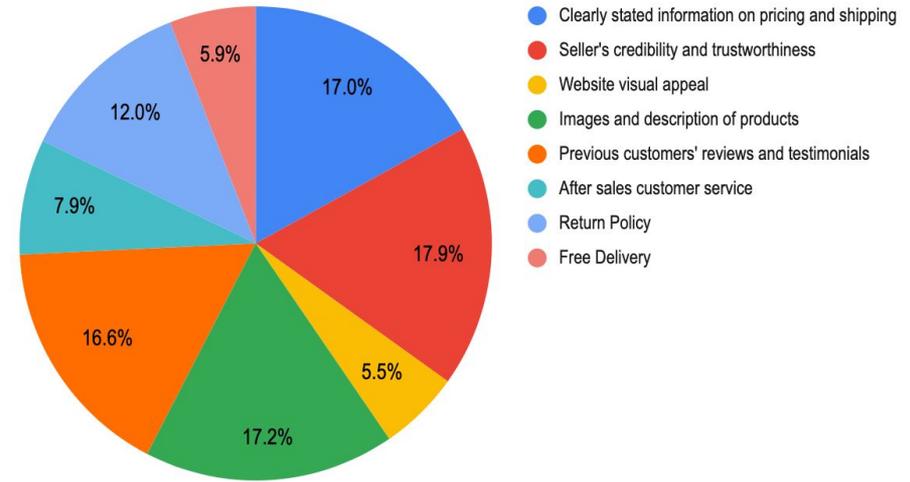


The most 3 influential factors customers considered before purchasing from any online page/website are credibility and trustworthiness of seller, clearly stated information on pricing and shipping and image and description of products followed by previous customers' reviews and testimonials, clearly stated return policy and after sales customer services.

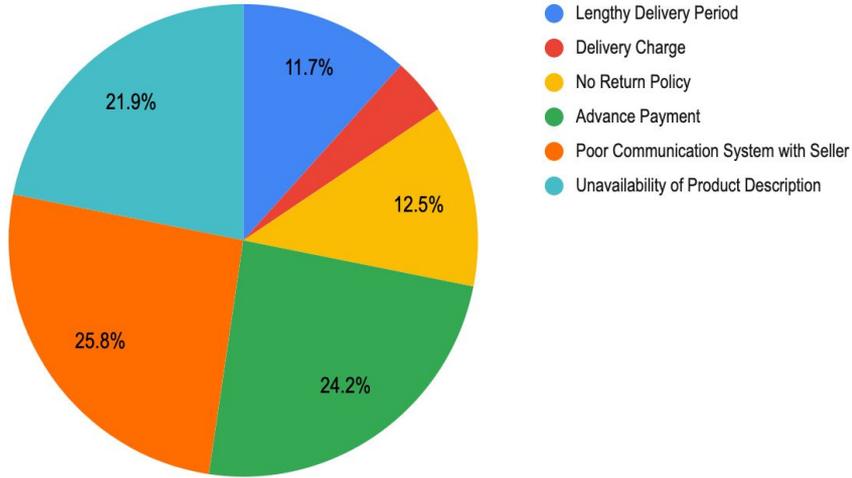
Interestingly, only around 6% respondents respond that they also consider website's visual appeal and free delivery before making any purchase.

Among the male and female respondents, the top 2 influential factors are same, credibility and trustworthiness of seller and clearly stated information on pricing and shipping. The 3rd most important influential factors for male are images and description of the products. For female respondents, the 3rd most important influential factor is customers' reviews and testimonials.

Influential Factors before Purchasing any products from Online



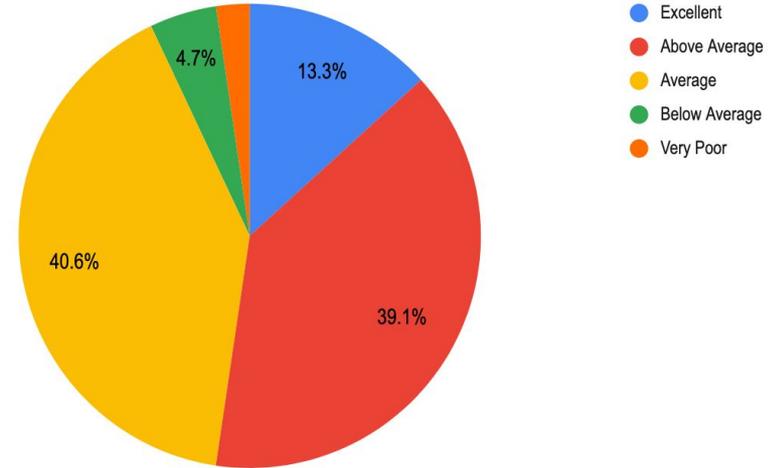
Key Factors not Buying from E-commerce



The top 3 factors for not buying from any Facebook page or E-commerce site are Unavailability of Product Description, Poor Communication System with Seller and Advance Payment for the products. The customers don't want to pay advance as they want to be sure about the products quality and condition. Also if the communication methodology with the seller is not easy, then customers also decide not to buy from that seller.

For men, poor communication system with seller is the prime factor. On the other hand, advance payment for products is the biggest factors for not purchasing products from facebook page or e-com website.

Online Shopping Experience



Around 52% of the respondents respond that they have very good experience with the online shopping so far. However, 43% of the male respondents told that they have very good experience. On the other hand, 58% of the female respondents responded they have very good experience.

Around 15% of the male respondents have below average or very poor experience, where only 1.33% of female respondents have the same experience. It's need to mention that male respondents mostly buy products from e-commerce website than facebook based seller. The reasons for poor experiences are related to delayed delivery, physical product is not matched with the picture and got totally wrong product.

Other Important Findings

Bangladeshi online shoppers are young (mostly below 40 years) similar to other parts of the world. They do online shopping because it saves time, offers home delivery, provides ease in shopping and offers more variety of products.

Around 91% of the respondents are doing transaction by cash on delivery facility whereas 5% of the interviewees is paying through bKash, 3% respondent pay by credit card and 2% through debit card.

Around 41% respondents mentioned saving time is their primary reason for choosing online shopping and about 31% of the interviewees prefer online shopping because of availability of the varieties of products. Nearly, 14% of the respondents prefer online shopping because product comparison is much easier for online shopping.

Around 59% of the female respondents mentioned that they prefer to see Facebook Live (video) before purchasing the products. Because picture of the products can be edited but Facebook Live cannot be edited.

Around 73% of the female respondents mentioned that they checked the sellers review before they purchased any products from a seller for the first time. They checked with friends or post in female groups to check the credibility of the seller. Review from a Social Media Influencer is also an influential factors for female respondents.

Top e-Commerce Sites in Bangladesh according To Alexa (March, 2020)

Chaldal.com
Daraz
Meena Click
Othoba.com
Priyoshop.com
Shawapno.com
Khaasfood.com
Ajkerdeal.com

As stated earlier that this paper focuses on factors influencing online buyers' attitude based on the evidence from buyers of Dhaka city. The findings of this paper provide a guideline to merchants about the areas they need to be focused and the attributes they need to be incorporated in their services. If the companies and merchants consider these factors, they might have a competitive advantage in the market.

Based on the findings from this paper, the author will published few other articles on how the e-commerce companies and Facebook merchants can design their services accordingly and what are the international best practices considering these findings.



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